

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

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In re:

LILLIAN MEYER TRAPSE SISAYAN
and ISAGANI MALLARI SISAYAN,

Debtors,

RELIANCE COMMUNITY, INC., et
al.,

Appellants,

v.

DIGNITY HEALTH, et al.,

Appellees.

No. 2:23-cv-01785 WBS

Bankr. No. 21-22496

ORDER REMANDING CASE

Adversary No. 23-02027-C

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Appellants brought certain claims against appellees in an adversary proceeding related to debtors' bankruptcy proceedings. The Bankruptcy Court denied in part appellants' motion to remand to state court their claims against appellees, and appellants then appealed to this court.

1 The Bankruptcy Court has since filed an indicative
2 ruling under Federal Rule of Bankruptcy Procedure 8008. (Docket
3 No. 19.) In the indicative ruling, the Bankruptcy Court states,
4 among other things, that the Chapter 7 discharge of the debtors
5 on February 23, 2024 "materially alters the context of the remand
6 issue," and the bankruptcy court is now prepared to order remand
7 of the entire action, with the exception of a counterclaim
8 alleging a violation of the automatic bankruptcy stay.

9 While appellants take issue of certain aspects of the
10 bankruptcy court's indicative ruling, they do not appear to take
11 issue with the bankruptcy court's authority to issue an
12 indicative ruling or this court's authority to remand the case in
13 light of a bankruptcy court's indicative ruling. (See Docket No.
14 20.) Appellants also do not dispute that the discharge of the
15 debtors has materially altered the nature of the adversary
16 proceeding and do not dispute that the claims should be remanded
17 to state court -- the very relief they originally requested.

18 Even assuming this court has the authority to address
19 the new circumstance of debtors' discharge in the first instance,
20 this court declines to do so and will remand the case for further
21 proceedings on appellants' motion to remand to state court. This
22 court expresses no opinion as to appellants' arguments as to the
23 indicative ruling and notes that they remain free to raise such
24 arguments with the bankruptcy court on remand.

25 IT IS THEREFORE ORDERED that this case be, and the same
26 hereby is, REMANDED to the Bankruptcy Court for further
27 proceedings in light of debtors' discharge. Pursuant to Federal
28 Rule of Bankruptcy Procedure 8008, this court retains

1 jurisdiction over this appeal. The parties shall promptly notify
2 this court when the bankruptcy court decides appellants' motion
3 to remand.

4 Dated: August 22, 2024


5 WILLIAM B. SHUBB
6 UNITED STATES DISTRICT JUDGE

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